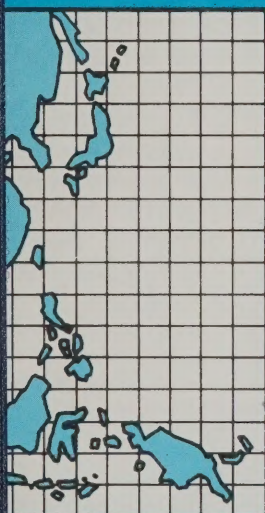


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Country Profile

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Country Profile

Bangladesh

Canada



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COUNTRY PROFILE

Official Name: People's Republic of Bangladesh
Capital: Dhaka
Topography: low-lying river delta
Climate: tropical monsoon
Principal crops: jute, rice, oilseeds, wheat pulses, tea, vegetables
Resources: fisheries
Official Language: Bangla
Currency: Taka
Religions: Muslim, Hindu

<u>Comparative Data</u>	<u>Bangladesh</u>	<u>Canada</u>
Area	142,775 km ²	9,976,000 km ²
Population (1984)	99.6 million	24.3 million
Population growth rate/yr (1973-1983)	2.4 per cent	1.2 per cent
Population density	700 persons/km ²	2.4/km ²
Urbanization	17%	75%
Life expectancy at birth	50 years	76 years
Infant mortality rate	135/1000 live births	9/1000
Adult literacy rate	26 %	99%
Primary school enrolment as % of age group (1982)		
total	60	104
boys	68	105
girls	51	103
Percentage of population under the age of 15	45.9	23.2
Percentage of labour force in: (1981)		
agriculture	74	5
industry	11	29
services	15	66
Daily per capita calorie supply as percentage of requirement	83	129
GNP per capita (1982)	US\$130	\$12,310
Average annual growth rate in GNP/capita (1973-83)	0.5%	2.5%
Average annual rate of inflation (1973-83)	9.6%	9.4%
External public debt as % of GNP	37.7	1.35
Debt service as % of GNP	1.3	4.96
Current account balance	-US\$77 million	US\$1380 million
Principal exports:	jute, fish and shrimp, rice, tea, leather, garments	
Principal imports:	foodstuffs, machinery & equipment, mineral fuels, oils and fats, chemicals and raw materials	
Principal trading partners:	U.S., U.K., Pakistan, Italy, Iran, Japan, E.E.C., Singapore	

Exports to Canada:	woven fabrics, outerwear, tea
Imports from Canada:	wheat, rapeseed, sulphur, wood pulp, fertilizer, aluminum, copper and alloys, railway and street rail rolling stock

Source: World Development Report, 1985, World Bank.

COUNTRY PROGRAMS

Canadian assistance is delivered through three main channels: bilateral, or government-to-government contributions; multilateral, in which Canada funds international organizations administering projects in the country; and special programs support, in which Canada funds non-governmental organizations (NGOs) and institutions, which have projects in the country. The Canadian International Development Agency (CIDA) is the agency responsible for administering Canada's official development assistance program.

Background

Canada has been providing aid to Bangladesh since 1972. The Bangladesh program, including food aid, is Canada's largest bilateral program. In 1984-85, disbursements were roughly \$61 million for food aid and \$42 million for economic assistance. Canadian exports to Bangladesh in 1984 totalled \$102.8 million, financed almost entirely by Canadian bilateral and food aid funds, with wheat alone accounting for over 60 per cent of the total. Canadian imports from Bangladesh, mainly jute goods and tea, were \$14.2 million.

The approved program goals for Canadian assistance to Bangladesh for the period from 1985-1990 are: to attempt to stem the rate of deterioration at the village level in Bangladesh by focusing on activities which have a direct impact on the rural poor, and to assist Bangladesh in its efforts to cope with critical short-term problems such as the shortage of food and financial resources.

Over the next five years, Canadian aid will be concentrated on four sectors: agriculture, including rural development and water supply; transport; energy and population. Substantial amounts of program aid and food aid will also be provided. CIDA's program is bifocal: it addresses the short-term concerns such as food gaps and balance of payment deficits, while at the same time concentrating on the fundamental long-term problems, such as population control and employment generation.

BILATERAL PROJECTS

AGRICULTURE, RURAL DEVELOPMENT AND WATER RESOURCES

Agricultural Assistance

This sector is the most dominant force in the economy, accounting for 50 per cent of the GDP, over three-quarters of export earnings and 77 per cent of employment. Principal crops include rice, jute, oil seeds, wheat, pulses, tea and vegetables. Although foodgrain production has increased in recent years, the food gap remains in excess of 1.5 million tons per year. Although the potential for productivity improvements is substantial, there are a number of constraints which have limited Bangladesh's gains: landholdings are small and fragmented; water sources are inadequate;

droughts and floods periodically undermine the harvest. Accordingly, CIDA will focus mainly on crop-related activities and on the provision of agricultural inputs, particularly irrigation systems and fertilizer.

Wheat Program: This program is aimed at enabling the Bangladesh Research Institute to develop high-yielding, disease-resistant wheat varieties for cultivation in established wheat-growing areas and on marginal land. Through the International Wheat and Maize Improvement Centre, this CIDA project assists in the improvement of seed varieties and the usage of pesticide, irrigation water and fertilizer. The project will run for five years, terminating in 1987, at an overall cost of \$9.8 million dollars; the Canadian contribution will total \$5 million.

Bangladesh Rice Research Institute, Phase II: This project aims at strengthening the institutional, scientific and technical capabilities of the Institute, thus assisting Bangladesh to develop and improve its capacity for increasing rice production. A multi-donor effort supported by Australia and Canada, the Ford Foundation and the United States, this five-year project, costing \$6.622 million, involves a Canadian contribution of \$2.7 million.

Foodgrain Storage Project: Increased food grain storage capacity is required to meet growing domestic consumption requirements, to improve the coverage of the domestic procurement operation and to provide for adequate emergency relief stocks. This project involves the construction of 32 warehouses of 500 to 1,000-ton capacity, with the associated structures. The project will last three years, costing a total of \$7 million, of which the Canadian contribution is \$6 million. A Canadian engineering firm, Carr and Donald and Associates, has been contracted to supervise the construction program and to provide technical assistance. A second phase of this project is now being planned.

Fertilizer Project: This project's objective is to contribute the increased agricultural productivity while providing balance of payments and budgetary support. It involves the provision of Canadian potash, including freight, a project monitor and a scientist to assess the appropriateness of potash as a fertilizer. This project, costing \$50.4 million, will last six years.

Chittagong Urea Fertilizer Factory: The overall objective of this initiative is to assist Bangladesh to build a fertilizer factory in Chittagong at a total cost of \$565.3 million. This is a multi-donor project led by the Asian Development Bank. The Canadian contribution will provide for the purchase from Canada of a steam generator facility, condensate polisher unit and other agreed components for the proposed plant at a cost of \$26.3 million. The project is expected to last 5 years.

International Jute Organization: The objective of this project is to support product research and development of cost reduction programs for jute through the International Jute Organization. The

Canadian voluntary contribution for 1985-86 is \$100,000.

Agriculture Sector Team: This project will assist the Bangladesh Ministry of Agriculture to increase its capacity to effectively identify, appraise, design, implement and evaluate specific projects which could then be financed by CIDA and other donors. The project consists of a team of three Canadian advisors who work with the various Bangladeshi ministries involved in agricultural development, reviewing policies and carrying out project identification and appraisal activities. Local consultants are also to be employed for specialized services. Total CIDA contribution was \$3 million. An \$8 million second phase of this project has recently been approved.

Agro-Industrial Support Program Line of Credit: This line of credit will provide funds for the purchase of equipment, materials, spare parts and related services and training in priority sectors and areas of past project interventions. The Line of Credit will run for four years beginning in 1985, at a CIDA contribution of \$16.3 million.

Rural Development Assistance

These projects complement the food production orientation of the agriculture projects, by addressing all aspects of rural life, such as health, literacy, rural credit, and so on, in an integrated approach. Programs in this sector will concentrate on getting more resources directly into the hands of the poor and improving their abilities to utilize these resources.

Rural Poor Program (Rural Development II): This program's aim is to generate employment and increase the earning capacity of the rural poor through the strengthening and expansion of the rural cooperative system. Canada will provide credit, training and technical assistance to cooperatives for landless farmers and women in a co-financing arrangement with the World Bank. The program will last for five years, and cost \$220.8 million, of which the CIDA contribution will be \$24.3 million.

Rural Maintenance Program: This year-round road maintenance program for the important Kutcha (earthen) roads will provide employment for the poorest segment of Bangladesh's rural population, destitute women. The program will run for three years, and will be financed by \$5 million in foreign exchange supplemented by the proceeds from the local sale of Canadian food aid. CARE Canada is administering this project.

Proshika III: The objective of this program is to support Proshika, two Bangladeshi NGOs, in assisting rural development groups to organize and to become increasingly self-sufficient by implementing income-generating projects. Proshika identifies rural groups of disadvantaged people, offers them training in income-generating skills and gives small loans for viable agricultural projects which the groups undertake. It also offers

human development training in various fields. The project commenced in 1985-86 and will continue for five years. Of the total costs of \$11.4 million, CIDA will provide \$8.9 million.

Inter Pares Jute Centre: This project aims to maximize the utilization of jute plastic in Bangladesh by supporting a design and innovation centre for jute-reinforced plastic and continuing work with low-cost transportation. The project is being administered by Inter Pares, a Canadian NGO; it will run for four years and will cost \$1.6 million.

BRAC-Inter Pares: The aim of this project is to build viable, community-based organizations through which the rural poor will be able to improve their living conditions. Funds for the construction and operation of two Training and Resource Centres for the Bangladesh Rural Advancement Committee and support for the development of a non-formal primary education program will be provided. This project is also being run by Inter Pares, and will cost \$1 million over four years.

USC Rural Development: This project will assist the poorest villagers in several districts of Bangladesh by increasing agricultural production, expanding income generating activities and improving health and education levels. The organization of villagers into small groups for literacy training, savings and loan programs and income-generating activities will be managed by the Unitarian Service Committee. The project will run for three years for a total cost of \$1.03 million.

Water Development Assistance

Control of water resources is critical to Bangladesh's development. Not only must water be available in those areas which require irrigation in order to be productive, water must be controlled in those areas susceptible to flooding. In water development, CIDA will increase its level of activity, particularly on projects that relate directly to agriculture. CIDA has recently undertaken a major review of this sub-sector and will be developing a number of new projects over the coming year.

Small-Scale Water Control Structures: The project is aimed at increasing agricultural production through improved irrigation, drainage and flood control measures. The project consists of two components: consulting services to a parallel-financed World Bank project and consulting services and construction costs for an expansion of a previous CIDA project. The technical assistance for both components is contracted directly by CIDA to Northwest Hydraulics Limited of Vancouver. The total cost of this five-year project is \$48 million, with CIDA contribution at \$11 million. A three-year \$3.9 million extension of this project has recently been approved which will continue the provision of consulting services to the World Bank for the construction of water control structures and the execution of a major transfer of knowledge through a training program.

Muhuri Irrigation Project: This project is aimed at providing reliable irrigation to an area of 26,800 acres through the construction of a major cross-dam and regulator at the mouth of the Muhuri River, with ancillary subsidiary irrigation systems. Lasting eight years, the project will cost a total of \$87.1 million, of which CIDA will provide \$9 million. The existence of this dam prevented more extensive damage from the 1985 cyclone.

The Handpump Testing Project: The aim of this project is to develop and deploy rural water and sanitation technology packages which would help provide rural Bangladeshis with maximum health benefits. It is part of a CIDA contribution to the World Bank/United Nations Development Fund Global Handpump Testing Program. The International Centre for Diarrheal Disease Research-Bangladesh is the institution which will test 200 handpumps in the study area. Also included is an epidemiological impact study on latrine use and the effects of related education packages. The project will last three years and cost \$665,000.

POPULATION

For this sector, CIDA'S objective will be to support Bangladesh's efforts to reduce the population growth rate. This will be done through support for women's cooperatives and organizations, and through assistance to the Bangladesh family planning program.

Population II: The overall goal of this multi-donor, multi-faceted project is to reduce fertility and mortality. CIDA's objectives are to enable rural women to attain increased economic participation and social independence through improved access to government and private services, and to strengthen the ability of local institutions to conduct demographic research and program evaluation studies designed to provide guidance and feedback to policy formulation. Canada is one of several donors to this co-financed, World Bank sponsored effort. The Canadian contribution supports a Women's Cooperative Program as well as three information-gathering units. Initially designed to last three years, the project has been extended to the current fiscal year. Total cost is \$154.3 million, of which CIDA's contribution is \$5.9 million. A World Bank-led Population III project, in which Canada will expand its support to women's programs, is now being finalized.

Family Planning Support: In order to assist Bangladesh in its program to reduce the population growth rate, this project will provide up to 18 million cycles of oral contraceptives to be distributed through the government family planning program. It will also assist Bangladesh in improving its distribution system by providing funds to the UN Fund for Population Activities for specific technical assistance to the program. Some local services will be contacted to conduct specific studies and evaluation of clients' acceptance of the Canadian product. The project will last for three years and Canada's contribution will be \$9.4 million over this period.

Assistance to the International Centre for Diarrheal Disease Research (Bangladesh): The project aims to assist in improving the integrated health care system, with special attention to its family planning initiatives, through the placement of 6 Canadian professionals and technical staff in the Centre. The project is being managed by World University Service of Canada; it will cost \$0.95 million over a four-year period.

Demographic Surveillance: In order to obtain accurate information on vital and other demographic statistics and to monitor changes in these characteristics, Canada will assist the ICDDR-B through the purchase of a computer to analyze the data. The project will continue for six years at a cost of \$5 million.

TRANSPORTATION

Challenges face Bangladesh in this sector as well: the road network is in disrepair due to a lack of rocks for aggregate, heavy use by overloaded trucks and damage from monsoon rains and floods. Delays in transport are often due to numerous ferry crossings necessitated by the extensive river systems. CIDA has been involved with the Bangladesh Railway Sector for the last ten years. It will now concentrate on technical assistance and on strengthening training components to enable Bangladesh to manage the railways more effectively.

Bangladesh Railway Program: The objective of this program is to improve the operations of Bangladesh Railway through the provision of 12 broad gauge locomotives, the re-engining of a further 7 locomotives, a technical assistance team of 12 Canadians, 260 km of track and related fastenings, and bridge steel and equipment to rehabilitate 182 bridges. The overall program will last 5 years, with the bridge component taking 8 years. Over this period, total costs will be \$88.4 million, of which Canada's contribution is \$60 million. Canadian firms providing goods or services for the program include CPCS, Canac Consultants, Bombardier, M.M. Dillon and Frankel Steel. A second phase of the railway program is now being planned.

ENERGY

Per capita energy consumption in Bangladesh is one of the lowest in the world. Traditional sources of energy supply such as rice straw and husks, jute sticks, dung, fuelwood and twigs, have been unable to meet the growing demand of a rapidly-increasing population. Natural gas provides roughly 40 per cent of the nation's electricity; coal is also used as a fuel. The Government of Bangladesh is developing existing gas fields and gives priority to conservation in industry, energy planning and development of traditional energy sources.

Load Dispatch Centre: in order to assist the Bangladesh Power Development Board to increase the reliability, security, quality, safety and efficiency of the power network by the completion of the Load Dispatch Centre and to provide training in installation, operation and maintenance, this project provides load dispatching from nine major power stations and control of the high voltage national grid system.

The project is expected to be complete in 1988; its total cost is \$11.1 million, of which Canada's contribution is \$10.1 million. Hydro Quebec International is executing this project.

CIDA is also planning to co-finance a major drilling program with the World Bank and other donors and is examining the possibility of involvement in liquified petroleum gas plants.

BALANCE OF PAYMENTS SUPPORT

Industrial Commodities: The overall objective of this project is to increase the budgetary resources available for development purposes and to provide balance of payments support. This grant will permit Bangladesh to purchase the industrial commodities that have been traditionally supplied under Canada's aid program: aluminum, copper, sulphur, woodpulp and zinc. The three-year project will cost \$50.5 million.

Multi-year Food Aid: The general goals of this program are to assist the government of Bangladesh in closing its food gap, to support efforts to provide food and employment opportunities to the poorest rural groups in Bangladesh, and to increase the budgetary resources available for development purposes. The wheat supplied in the program will be utilized by the government of Bangladesh to support four programs: 30 per cent will be sold to finance the Rural Maintenance Program which employs women in the maintenance of rural infrastructure, 25 per cent will be used as food payment for workers on the Food for Work Program; 10 per cent will be distributed through the Vulnerable Group Feeding Program; and the balance of 35 per cent will be sold through the ration system or the open market sales mechanism. Over three years, the program will cost \$150 million.

MISSION-ADMINISTERED FUNDS

This \$350,000 annual fund for small projects is administered by the High Commission in Dhaka. The projects, usually initiated by community groups and voluntary organizations, provide economic, technical or social development assistance, often with a focus on women.

ASSISTANCE THROUGH CIDA'S SPECIAL PROGRAMS BRANCH

In 1984-85, over \$2 million was spent by CIDA on Special Programs activities in Bangladesh. CIDA has been able to develop a cooperative and fruitful relationship with Canadian and Bangladeshi non-governmental organizations (NGOs). In 1983-84, 18 Canadian NGOs were active in Bangladesh, disbursing CIDA funds on 51 projects. Among the NGOs active in Bangladesh are the B.C. Save the Children Fund, the Unitarian Service Committee, Inter Pares, the Canadian UNICEF Committee, the Mennonite Central Committee, the South Asia Partnership and the Canadian Hunger Foundation. Projects include literacy, income generation, especially for women, vocational training, village water supplies, handicrafts production and rural development projects.

CIDA will now encourage NGOs in two directions. The first will be to broaden their base of activities by attempting to build their successful smaller-scale projects into large-scale programs, without losing effectiveness. The second will be to promote greater interaction, cooperation and interchange between NGOs and the Government of Bangladesh.

OTHER GOVERNMENT AGENCIES, INSTITUTIONS AND DEPARTMENTS

The International Development Research Centre (IDRC) has 20 active projects in Bangladesh with emphasis on cropping systems and crop processing, population, information services and technology policy. Some informal links between CIDA and IDRC programs have been established through Canadian cooperants and consultants involved in the agriculture sector.

MULTILATERAL ASSISTANCE

CIDA contributes funds to United Nations agencies and other multilateral organizations active in Bangladesh. Among these are the United Nations Development Program (UNDP), to which Canada contributed \$59 million in 1984-85. The UNDP spent \$32.8 million in Bangladesh in 1984 on projects in cooperative dairy organization, vocational training, civil aviation, agricultural extension and forest development. UNICEF, to which CIDA contributed \$28 million in 1984-85, spent \$13 million in Bangladesh on projects in child survival and development, involving immunization, oral rehydration therapy and growth monitoring, nutrition, water and sanitation, formal and non-formal education, women in development activities, and social welfare services for children. The Commonwealth Fund for Technical Cooperation (CFTC) commenced an estimated total of \$769,000 worth of assistance to Bangladesh in 1984-85, mainly in human resource and export marketing development. Canada contributed \$14.6 million in 1984-85 to the CFTC. In 1984-85, CIDA contributed a total of \$290,000 in 5 grants to the League of Red Cross Societies and three Canadian NGOs for disaster relief following flooding. The World Food Program, to which Canada contributed \$135 million for 1985-86, is running 4 projects in Bangladesh for a total value of \$293.4 million, and the International Emergency Food Reserve, to which Canada contributed \$18.5 million, has two projects worth \$15.8 million in operation. The International Fund for Agricultural Development (IFAD), to which Canada has contributed \$75 million since its inception in 1977, has projects in Bangladesh totalling 134 million SDRs in irrigation, livestock and credit, aimed at improving the efficiency and economic viability of the small farmer.

The Asian Development Bank, to which Canada has contributed \$92 million annually over the 1983-86 period, has \$1.6 million invested in agriculture and agro-industry, energy, transport and communications, social infrastructure, development banks and industry and non-fuel metals in Bangladesh. The World Bank, to which CIDA has contributed \$189 million in paid-in capital and \$1.817 million for concessional funds as of mid-June, has approved credits in the following areas: education, \$78 million; flood rehabilitation, \$30 million; energy, \$110 million; and agriculture and rural development, \$48 million.

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